

DRAFT**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Telecommunications Division
Public Programs Branch****RESOLUTION T-16712
January 16, 2003****RESOLUTION**

RESOLUTION T-16712. SEVENTEEN SMALL LOCAL EXCHANGE CARRIERS (LECs) AND THE CALIFORNIA HIGH COST FUND-A (CHCF-A) ADMINISTRATIVE COMMITTEE FUND.

THIS RESOLUTION SETS FORTH THE LECS REVENUE REQUIREMENT AND THE CHCF-A SUPPORT FOR EACH OF THE 17 SMALL LECS FOR CALENDAR YEAR (CY) 2003.

BY ADVICE LETTER NO.	FILED BY:		DATE FILED:
254	Calaveras Telephone Company	(Calaveras)	09/30/02
271	California-Oregon Telephone Company	(Cal-Ore)	09/30/02
114	Citizens Telecommunications Company of the Golden State	(Citizens-GS)	09/30/02
110	Citizens Telecommunications Company of Tuolumne	(Citizens-Tu)	09/30/02
274	Ducor Telephone Company	(Ducor)	09/30/02
333	Evans Telephone Company	(Evans)	09/30/02
226	Foresthill Telephone Company	(Foresthill)	10/01/02
249	Happy Valley Telephone Company	(Happy Valley)	10/01/02
221	Hornitos Telephone Company	(Hornitos)	10/01/02
308	Kerman Telephone Company	(Kerman)	10/01/02
185	Pinnacles Telephone Company	(Pinnacles)	09/30/02
314	The Ponderosa Telephone Company	(Ponderosa)	10/01/02
296	Sierra Telephone Company	(Sierra)	09/30/02
305	Siskiyou Telephone Company	(Siskiyou)	09/30/02
354	Verizon West Coast Incorporated	(Verizon-WC)	09/23/02
289	Volcano Telephone Company	(Volcano)	09/30/02
142	Winterhaven Telephone Company	(Winterhaven)	10/01/02

Summary

This resolution adopts a total CY 2003 California High Cost Fund-A (CHCF-A) support of \$25,619,724 for Calaveras, Cal-Ore, Citizens-GS, Citizens-Tu, Ducor, Evans, Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, Verizon-WC, Volcano, and Winterhaven, hereinafter collectively referred to as the 17 small LECs. The monthly and the total annual CHCF-A support for each of the 17 small LECs are as stated below:

<u>Small LEC</u>	<u>Monthly Support</u> <u>2003</u>	<u>Yearly Support</u> <u>2003</u>
Calaveras	\$115,140.67	\$1,381,688
Cal-Ore	67,505.99	810,072
Citizens- Golden State	0.00	0
Citizens-Tuolumne	0.00	0
Ducor	91,477.29	1,097,727
Evans	1,349.92	16,199
Foresthill	18,430.85	221,170
Happy Valley	3,254.90	39,059
Hornitos	0.00	\$0
Kerman	162,421.52	1,949,058
Pinnacles	20,671.49	248,058
Ponderosa	341,763.18	4,101,158
Sierra	818,909.00	9,826,908
Siskiyou	179,430.75	2,153,169
Verizon West Coast	0.00	0
Volcano	314,621.42	3,775,457
Winterhaven	0.00	0
Total	<u>\$2,134,976.99</u>	<u>\$25,619,724</u>

This Resolution directs the Telecommunications Division (TD) in concert with the Information and Management Services Division (IMSD) to pay the respective small LECs monthly support payments in the amount indicated above in accordance with the

payment timeline set forth in D.01-09-064.¹ The payment of monthly support to the LECs is contingent on the availability of funds and the Commission and State adoption of the budgets covering the payment for the 2003 CHCF-A support. Each monthly support payment is to be paid within 30 days after the close of each calendar month. Should the monthly support payments due the small LECs not be paid within 30 days after the close of each calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.²

Background

The California High Cost Fund (HCF) was implemented by D.88-07-022 as modified by D.91-05-016 and D.91-09-042 to provide a source of supplemental revenues to three mid-size and seventeen small LECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service. Pacific Bell was appointed as the administrator of the fund. Recognizing the public nature of the fund, Pacific set up a separate trust for the CHCF-A.

D.96-10-066 changed the name of HCF to CHCF-A and created the California High Cost Fund-B (CHCF-B). This decision included Pacific Bell, GTE California Incorporated (now Verizon), GTE Contel, Roseville Telephone Company, and Citizens Telecommunications Company of California, Incorporated in the CHCF-B for the purpose of determining universal service subsidy support and maintained the CHCF-A for the 17 small LECs. This decision also directed the Commission to take over the administration of the CHCF-A from Pacific.

Resolution T-16092 approved the transfer of the administrative control of the CHCF-A from Pacific to the Commission effective January 1, 1998. This resolution appointed three Commission staff members as committee members of the CHCF-A Trust Administrative Committee charged with the responsibility of administering the CHCF-A on behalf of the Commission. D.98-06-065 renamed the committee as CHCF-A AC and revised the governance of the CHCF-A consistent with State rules and procedures.

In October 1999, PU Code § 270-281 were codified as a result of the enactment of Senate Bill (SB) 669 (Stats. 1999, Chapter 677). § 270(b) requires that the monies in the CHCF-A and five other funds may only be expended pursuant to § 270-281 and upon appropriation in the annual Budget Act.

On or about October 1, 2002, 17 small LECs made their annual CHCF-A advice letter filings in accordance with D.91-09-042. These 17 small LECs requested a total CY 2003 CHCF-A support in excess of \$30 million.

¹ The timeline is attached as Attachment C of D.01-09-064.

² This is consistent with directives set forth in D.01-02-018 and D.01-09-064.

Notice/Protests

The 17 small LECs' 2003 CHCF-A advice letter filings appeared in the Commission's Daily Calendar in October 2002. No protests to the advice letter filings have been received.

Discussion

In this Resolution, the Commission adopts a total CHCF-A support in the amount of \$25,619,724 for CY 2003. This total support is broken down for each of the 17 small LECs as noted in the summary section of this Resolution.

TD in concert with the IMSD shall make the monthly support payments within 30 days after the close of each calendar month.³ In the event that the monthly support payments due the small LECs are not paid within 30 days after the close of each calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.

A. 2003 CHCF-A Revenue Requirements, Rate Designs and Supports

TD reviewed the advice letter filings made by the 17 small LECs in connection with the 2003 CHCF-A revenue requirements. TD revised the small LECs proposals in accordance with guidelines ⁴ adopted in D.88-07-022, as modified by D.91-05-016 and D.91-09-042, Resolution T-16117, D.00-09-072, D.01-02-018, D.01-05-031 and for reason(s) stated below:

- incorrect identification of the beginning revenue requirement for the current year;
- incorrect determination of the Net Interstate Expense Adjustment;
- incorrect development of the means test;
- incorrect application of the waterfall;

Specific implementation rules and Commission orders that guided TD's revisions include, but are not limited to, the following:

³ The January 2003 monthly support will be paid in February 2003; the December 2003 monthly support will be paid in January 2004.

⁴ These guidelines are summarized in the Appendix of D. 91-09-042, which is hereinafter referred to as the Implementation Rules.

General Rate Cases (GRCs)

The 17 small LECs had their GRCs with a 1997 test year completed in 1997. All 17 small LECs were authorized a rate of return of 10%. The Year 2002 annual filing of CHCF-A for Year 2003 is the sixth year after the completion of a GRC.

Means Test

§ B of the Implementation Rules requires that each CHCF-A support request be subject to a means test, i.e. a small LEC's CHCF-A support is limited to forecasted intrastate results of operations not to exceed the small LEC's authorized rate of return. The forecasted earnings shall be based on at least seven months of recorded financial data, annualized for the year in which the advice letter is filed.

Waterfall

Pursuant to § D of the Implementation Rules, the 6-year phase down of the CHCF-A funding level began in 1998, i.e. the year after the completion of a GRC. The funding levels are 100% for the first 3 years, i.e. 1998, 1999, and 2000; 80% the fourth year, i.e. 2001, 50% the fifth year, i.e. 2002; and 0% thereafter. This 6-year phase down of funding level is known as the Waterfall.

D. 99-09-044 delayed the phase-down of the waterfall for Calaveras, Cal-Ore, Ducor, Evans, Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, and Volcano from 2001 to 2002. D.01-05-031 further delayed the phase-down of the waterfall from 2002 to 2003 for Calaveras, Cal-Ore, Ducor, Foresthill, Hornitos, Kerman, and Pinnacles, but set the waterfall in motion for Evans, Happy Valley, Ponderosa, Sierra, Siskiyou, and Volcano starting 2002.

Evans, Sierra, Siskiyou, and Volcano filed their GRCs on or prior to December 31, 2001 and Happy Valley and Ponderosa did not. Evans, Sierra, Siskiyou and Volcano's waterfall is, therefore, set at 100%. Calaveras, Cal-Ore, Ducor, and Pinnacles filed their GRCs by December 31, 2002 so their waterfall is set at 100%. Ponderosa, whose waterfall is presently set at 80% for not filing its GRC by December 31, 2001, filed its GRC by December 31, 2002 so its waterfall is frozen at 80%. Happy Valley, whose waterfall is presently set at 80% for not filing a GRC by December 31, 2001, did not file its GRC by December 31, 2002 so its waterfall is set at 50%.

Foresthill did not file a GRC by December 31, 2002 so its waterfall is set at 80%. Citizens-GS, Citizens-Tu, Verizon-WC and Winterhaven did not file their GRCs by December 31, 2002 so their waterfall is set at 0%.

The funding levels for the 17 small LECs for 2003 are summarized below:

<u>Small LEC</u>	<u>2003</u>
Calaveras(GRC)	100%
Cal-Ore(GRC)	100%
Citizens-GS	0%
Citizens-Tu	0%
Ducor (GRC)	100%
Evans	100%
Foresthill	80%
Happy Valley	50%
Hornitos	80%
Kerman	100%
Pinnacles (GRC)	100%
Ponderosa (GRC)	80%
Sierra	100%
Siskiyou	100%
Verizon-WC	0%
Volcano	100%
Winterhaven	0%

Net Interstate Expense Adjustment

§ B of the Implementation Rules authorizes the small LECs to include the changes of their federal Universal Service Fund (USF) funding in the annual CHCF-A filings. Pursuant to Resolution T-16117, the change of USF funding level shall be determined by the difference between the forecasted USF support for the current year and the forecasted USF support for the coming year. The current

year's forecasted USF support is the amount adopted by the Commission for the current year CHCF-A revenue requirement. The coming year's forecasted USF is the amount projected by the National Exchange Carrier Association (NECA), the administrator of USF.⁵

The CHCF-A support and the rate designs for each of the 17 small LECs for CY 2002 are illustrated in Appendix A and summarized below:

Calaveras, Page 1 of Appendix A

Calaveras has a 2003 CHCF-A revenue requirement of \$1,544,425 (at Line 6, Page 1 of Appendix A). This amount is reduced by the means test to \$1,381,688. Calaveras shall receive a monthly support of \$115,140.69, i.e. one-twelfth of \$1,381,688 for January through December 2003.

Cal-Ore. Page 2 of Appendix A

Ca-Ore has a 2003 CHCF-A revenue requirement of \$810,072 (at Line 6, Page 2 of Appendix A). Since Cal-ore projected a rate of return of less than 10%, Cal-Ore shall receive a monthly support of \$67,505.99, i.e., one-twelfth of \$810,072 for January through December 2003.

Citizens-GS, Page 3 of Appendix A

Citizens-GS has a 2003 CHCF-A revenue requirement of \$178,243 (at Line 6, Page 3 of Appendix A). However, the waterfall funding for Citizens-Golden State is zero percent, Citizens-Golden State will not receive any CHCF-A funding for 2003.

Citizens-Tu, Page 4 of Appendix A

Citizens-Tu has a 2003 CHCF-A revenue requirement of \$476,828 (at Line 6, Page 4 of Appendix A). However, due to the waterfall, Citizens-Tu is eligible for 0% of the funding level Citizens-Tu will not receive any CHCF-A funding for 2003.

Ducor, Page 5 of Appendix A

Ducor has a 2003 CHCF-A revenue requirement of \$1,097,727 (at Line 6, Page 5 of Appendix A). Since Ducor projected a rate of return of less than 10%, Ducor shall receive a monthly CHCF-A support of \$91,477.29, i.e. one-twelfth of \$1,097,727 for January through December 2003.

Evans, Page 6 of Appendix A

Evans filed its GRC on December 19, 2001 through Advice Letter #326. In AL #326, Evans had requested a CHCF-A support of \$3,627,318 for 2003, an increase of \$160,853

⁵ Data used is the NECA projected USF Annual Report as of September 2002.

or 4.64 % from its 2002 CHCF-A support of \$3,466,465. In Resolution T-16720, the Commission adopted a 2003 monthly CHCF-A support of \$1,349.92, i.e. one twelfth of \$16,199 for January through December 2003.

Foresthill, Page 7 of Appendix A

Foresthill has a 2003 CHCF-A revenue requirement of \$739,737 before the means test (at Line 6, Page 7 of Appendix A). This amount is reduced by the means test to \$276,463. Due to the waterfall, Foresthill will receive only 80% of \$276,463 or \$221,170 for the 2003. Foresthill shall receive a monthly CHCF-A support of \$18,430.85, i.e. one-twelfth of \$221,170 for January through December 2003.

Happy Valley, Page 8 of Appendix A

Happy Valley has a 2003 CHCF-A revenue requirement of \$1,886,188 before the means test (at Line 6, Page 8 of Appendix A). This amount is reduced to \$78,118 after the means test and to \$39,059 after the waterfall provision of 50% is applied. Therefore, Happy Valley shall receive a monthly support of \$3,254.90, i.e. one-twelfth of \$39,059 for January through December 2003.

Hornitos, Page 9 of Appendix A

Hornitos has a 2003 CHCF-A revenue requirement of \$368,355 (at Line 6, Page 9 of Appendix A). Hornitos, is however, not requesting a draw from the CHCF-A at this time. Therefore, Hornitos will not receive any CHCF-A support for 2003.

Kerman, Page 10 of Appendix A

Kerman has a CHCF-A revenue requirement of \$1,949,058 at Line 6, Page 10 of Appendix A). Kerman projected a rate of return of less than 10%; therefore, Kerman shall receive a monthly CHCF-A support of \$162,421.52, i.e. one-twelfth of \$1,949,058 for January through December 2003.

Pinnacles, Page 11 of Appendix A

Pinnacles has a Year 2003 CHCF-A revenue requirement of \$248,058 before the means test (at Line 6, Page 11 of Appendix A). Pinnacles projected a rate of return of less than 10% for Year 2002. Therefore, Pinnacles shall receive a monthly support of \$20,671.49 for January through December 2003, i.e. one-twelfth of \$248,058.

Ponderosa, Page 12 of Appendix A

Ponderosa has a Year 2003 CHCF-A revenue requirement of \$6,394,508 before the means test (at Line 6, Page 12 of Appendix A). This amount is reduced by the means test to \$5,126,448 and to \$4,101,158 after the waterfall provision of 80% is applied. Based on the 80% waterfall, Ponderosa shall receive a monthly support of \$341,763.18 for January through December 2003, i.e. one-twelfth of \$4,101,158.

Sierra, Page 13 of Appendix A

Sierra filed its GRC on December 21, 2001 through Advice Letter #285. In AL #285, Sierra had requested a CHCF-A support of \$14,715,417 for 2003, an increase of \$759,789 or 5.4% increase from its 2002 CHCF-A support of \$13,955,628. In Resolution T-16711, the Commission adopted a 2003 CHCF-A support of \$9,826,908 for Sierra. Based on Resolution T-16711, Sierra shall receive a monthly support of \$818,909.00 for January through December 2003, i.e. one-twelfth of \$9,826,908.

Siskiyou, Page 14 of Appendix A

Siskiyou filed its GRC on December 21, 2001 through Advice Letter #298. In AL #298, Siskiyou had requested a CHCF-A support of \$2,572,356 for 2003, a reduction of 0.10% from its 2002 CHCF-A support of \$2,574,963. In Resolution T-16707, the Commission adopted a 2003 CHCF-A support of \$2,153,169 for Siskiyou. Based on the 100% waterfall, Siskiyou shall receive a monthly support of \$179,430.75 for January through December 2003, i.e. one-twelfth of \$2,153,169.

Verizon-WC, Page 15 of Appendix A

Verizon-WC has a 2003 CHCF-A revenue requirement of \$811,335 (at Line 6, Page 15 of Appendix A). Since the waterfall is set at zero percent, Verizon – West Coast will not receive any CHCF-A funding for 2003.

Volcano, Page 16 of Appendix A

Volcano filed its GRC on December 20, 2001 through Advice Letter #282. In AL #282, Volcano had requested a CHCF-A support of \$5,220,861 for 2003, a reduction of 10% from its 2002 CHCF-A support of \$5,811,666. In Resolution T-16697, the Commission adopted a 2003 CHCF-A support of \$3,775,457 for Volcano. Based on the 100% waterfall, Volcano shall receive a monthly support of 314,621.42 for January through December 2003, i.e. one-twelfth of 3,775,457.

Winterhaven (Page 17 of Appendix A)

Winterhaven has a 2003 CHCF-A revenue requirement of \$47,625 (at Line 6, Page 17 of Appendix A). Since the waterfall is set at zero percent, Winterhaven will not receive any CHCF-A funding for 2003.

The Commission finds TD's recommended revenue requirements and the CHCF-A support payments for the 17 small LECs for 2003 reasonable and consistent with our orders and are therefore adopted.

B. CHCF-A Budget and CHCF-A Surcharge Rate for FY 2002-03 and FY 2003-04

The Commission, in Resolution T- 16550, approved a \$53.078 million CHCF-A program budget for FY 2002 – 03 and a surcharge rate of 0.36% effective July 1, 2002. Of this amount, \$41.720 million has been allocated as program payments to the small LECs from July 1, 2002 through June 30, 2003.⁶

The FY 2003-04 budget resolution which will be proposed to the Commission for adoption by early 2003 will include the allocation for the CHCF-A program payments from July through December 2003.

Comments on Draft Resolution

In compliance with PU Code § 311(g), the draft of this Resolution was mailed on December 17, 2002 to the 17 small LECs, the CHCFA-AC, the parties of record in R01-08-002 and the parties on the service list of A99-09-044 for comments. Parties on these mailing lists were also informed in a letter that this draft resolution is available at the Commission's web site

www.CPUC.ca.gov/static/industry/telco/resolutions/index.htm and is available for public comments. This letter also informs parties that the final Resolution adopted by the Commission will be posted and available at the same web site.

Comments filed on a timely basis will be addressed by the Telecommunications Division in this resolution.

Findings

1. The California High Cost Fund (HCF) was implemented by Decision (D.) 88-07-022, as modified by D.91-05-016 and D.91-09-042. The Implementation Rules governing the CHCF-A can be found in their entirety in the Appendix of D.91-09-042. The purpose of the HCF was to provide a source of supplemental revenues to three mid-size Local Exchange Carriers (LECs) and seventeen small LECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service.
2. D.96-10-066 changed the name of HCF to California High Cost Fund A (CHCF-A) and created the California High Cost Fund-B (CHCF-B). This decision included the three mid-size LECs in the CHCF-B for the purpose of determining universal service subsidy support and maintained the CHCF-A for the 17 small LECs. D.98-06-065 renamed the CHCF-A Trust Administrative Committee to CHCF-A Administrative Committee (CHCFA-AC) and revised the governance of CHCF-A to be consistent with State rules and procedures.

⁶ Starting FY 2002-03, the CHCF-A budget is based on a service rendered basis to conform with the State Budgeting system, i.e., payment for services rendered in June are considered as paid in June although the LECs are paid within 30 days after the close of the calendar month.

3. In October 1999, Public Utilities (PU) Code § 270-281 were codified as a result of the enactment of Senate Bill 669.
4. PU Code § 270(b) requires that the monies in CHCF-A may only be expended pursuant to § 270-281 and upon appropriation in the annual Budget Act.
5. The Commission, in Resolution T- 16550, approved a \$53.078 million CHCF-A program budget for FY 2002 – 03 and a surcharge rate of 0.36% effective July 1, 2002. Of this amount, \$41.720 million has been allocated as program payments to the small LECs from July 1, 2002 through June 30, 2003.
6. The FY 2003-04 budget resolution which will be proposed to the Commission for adoption by early 2003 will include the allocation for the CHCF-A program payments from July through December 2003.
7. TD reviewed the filings made by the 17 small LECs in connection with the 2003 CHCF-A payment requirements.
8. TD revised the 2003 CHCF-A support requests submitted by the 17 small LECs in accordance with the Implementation Rules and Guidelines set forth in D.88-07-022 as modified by D.91-05-016 and D.91-09-042, Resolution T-16117, D.00-09-072 and D.01-02-018.
9. In accordance with D.01-05-031, Evans, Sierra, Siskiyou and The Volcano Telephone Company filed their GRCs by December 31, 2001. Happy Valley and Ponderosa did not file their GRCs by December 31, 2001; therefore, their waterfall was set to 80% in 2002.
10. D.01-05-031 further delayed the phase-down of the waterfall from 2002 to 2003 for Calaveras, Cal-Ore, Ducor, Foresthill, Hornitos, Kerman, and Pinnacles.
11. Calaveras, Cal-ore, Ducor, Pinnacles and Ponderosa filed their GRCs before the end of 2002; therefore, their waterfall is set at 100%
12. Citizens-Golden State, Citizens –Toulumne, Happy Valley, Verizon- West Coast and Winterhaven did not file their GRCs by December 31, 2002 so their waterfall is set at 0%.
13. Foresthill did not file its GRC by December 31, 2002; therefore, its waterfall is set at 80%.
14. Happy Valley's waterfall is set at 50% for not filing a GRC by December 31, 2002.
15. The total approved 2003 CHCF-A draw should be \$25,619,724.
16. The monthly support payments for January 2003 through December 2003 are to be paid by the TD in concert with the Information and Management Services Division within 30 days after the close of each calendar month subject to the availability of funds and the Commission and State adoption of the budgets covering the payment for the 2003 CHCF-A support. In the event that the monthly support payments due the small LECs are not paid within 30 days after the close of each calendar month,

TD shall include in those payments interest equal to the 3-month commercial paper rate.

17. The Commission finds TD's recommended LECs revenue requirement and the CHCF-A support for each of the 17 small LECs summarized in Appendix A of this Resolution reasonable and consistent with Commission orders and should be adopted.
18. The Commission is committed to utilize the CPUC Internet for distributing commission orders and information.

THEREFORE, IT IS ORDERED that:

1. The respective California High Cost Fund A (CHCF-A) support for each of the 17 small local exchange carriers (LECs) as described in the body and summarized in Appendix A of this Resolution are adopted.
2. The total approved CHCF-A support for 2003 is \$25,619,724 as listed below:

<u>Small LEC</u>	<u>Monthly Support</u> <u>2003</u>	<u>Yearly Support</u> <u>2003</u>
Calaveras	\$115,140.67	\$1,381,688
Cal-Ore	67,505.99	810,072
Citizens- Golden State	0.00	0
Citizens-Tuolumne	0.00	0
Ducor	91,477.29	1,097,727
Evans	1,349.92	16,199
Foresthill	18,430.85	221,170
Happy Valley	3,254.90	39,059
Hornitos	0.00	\$0
Kerman	162,421.52	1,949,058
Pinnacles	20,671.49	248,058
Ponderosa	341,763.18	4,101,158
Sierra	818,909.00	9,826,908
Siskiyou	179,430.75	2,153,169
Verizon West Coast	0.00	0
Volcano	314,621.42	3,775,457
Winterhaven	0.00	0

Total	<u>\$2,134,976.99</u>	<u>\$25,619,724</u>
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The monthly support payments for January 2003 through December 2003 are to be paid by the Telecommunications Division (TD) in concert with the Information and Management Services Division (IMSD) within 30 days after the close of each calendar month. The payment of monthly support to the LECs is contingent on the availability of funds and the Commission and State adoption of the budgets covering the payment for the 2003 CHCF-A support. In the event that the monthly support payments due the small LECs are not paid within 30 days after the close of each calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.

3. The \$25,619,724 program support payments shall be paid out of the CHCF-A fund.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 16, 2003. The following Commissioners approved it:

WESLEY M. FRANKLIN
Executive Director

APPENDIX A

Resolution T- 16712

	Calaveras <u>AL 254</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$1,824,723	\$1,824,723	\$1,824,723
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$24,189)	(\$24,189)	(\$24,189)
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	(\$24,189)	(\$24,189)	(\$24,189)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$769,282	\$769,282	\$769,282
b Projected Year 2003 USF (Per NECA.)	<u>(\$1,051,713)</u>	<u>(\$1,025,391)</u>	<u>(\$1,025,391)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$282,431)	(\$256,109)	(\$256,109)
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$1,518,103	\$1,544,425	\$1,544,425
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$1,518,103	\$1,544,425	\$1,544,425
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$1,518,103	\$1,544,425	\$1,544,425
11 2003 Revenue Requirement after Means Test	\$1,355,367	1,381,688	\$1,381,688
12 Waterfall effect	100%	100%	100%
13 2003 Revenue Requirement after Waterfall	\$1,355,367	\$1,381,688	\$1,381,688
14 2003 CHCF-A Support	\$1,355,367	\$1,381,688	\$1,381,688
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$115,140.69	\$115,140.69

APPENDIX A

Resolution T- 16712

	Cal-Ore <u>AL 271</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$1,014,389	\$1,014,389	\$1,014,389
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$9,764)	(\$9,764)	(\$9,764)
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	(\$9,764)	(\$9,764)	(\$9,764)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$612,735	\$612,735	\$612,735
b Projected Year 2003 USF (Per NECA.)	<u>(\$831,552)</u>	<u>(\$807,288)</u>	<u>(\$807,288)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$218,817)	(\$194,553)	(\$194,553)
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$785,808	\$810,072	\$810,072
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$785,808	\$810,072	\$810,072
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$785,808	\$810,072	\$810,072
11 2003 Revenue Requirement after Means Test	\$785,808	810,072	810,072
12 Waterfall effect	100%	100%	100%
13 2003 Revenue Requirement after Waterfall	\$785,808	\$810,072	\$810,072
14 2003 CHCF-A Support	\$785,808	\$810,072	\$810,072
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$67,505.99	\$67,505.99

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Resolution T- 16712

	Citizens-GS <u>AL 114</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	(\$312,293)	(\$312,293)	(\$312,293)
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$1,990,539	\$1,990,539	\$1,990,539
b Projected Year 2003 USF (Per NECA.)	<u>(\$1,528,783)</u>	<u>(\$1,500,003)</u>	<u>(\$1,500,003)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$461,756	\$490,536	\$490,536
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$149,463	\$178,243	\$178,243
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$149,463	\$178,243	\$178,243
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$149,463	\$178,243	\$178,243
11 2003 Revenue Requirement after Means Test			
12 Waterfall effect	0%	0%	0%
13 2003 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2003 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$0.00	\$0.00

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	Citizens-Tu <u>AL 110</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$266,807	\$266,807	\$266,807
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$1,606,418	\$1,606,418	\$1,606,418
b Projected Year 2003 USF (Per NECA.)	<u>(\$1,416,379)</u>	<u>(\$1,396,397)</u>	<u>(\$1,396,397)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$190,039	\$210,021	\$210,021
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$456,846	\$476,828	\$476,828
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$456,846	\$476,828	\$476,828
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$456,846	\$476,828	\$476,828
11 2003 Revenue Requirement after Means Test			
12 Waterfall effect	0%	0%	0%
13 2003 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2003 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$0.00	\$0.00

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	Ducor <u>AL 274</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$1,055,415	\$1,055,415	\$1,055,415
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$828,607	\$828,607	\$828,607
b Projected Year 2003 USF (Per NECA.)	<u>(\$793,052)</u>	<u>(\$786,295)</u>	<u>(\$786,295)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$35,555	\$42,312	\$42,312
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$1,090,970	\$1,097,727	\$1,097,727
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$1,090,970	\$1,097,727	\$1,097,727
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$1,090,970	\$1,097,727	\$1,097,727
11 2003 Revenue Requirement after Means Test	\$1,090,970	1,097,727	\$1,097,727
12 Waterfall effect	100%	100%	100%
13 2003 Revenue Requirement after Waterfall	\$1,090,970	\$1,097,727	\$1,097,727
14 2003 CHCF-A Support	\$1,090,970	\$1,097,727	\$1,097,727
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$91,477.29	\$91,477.29

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	Evans <u>AL 333</u>	Adopted <u>Res T-16720</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$3,466,465	\$3,466,465	\$3,466,465
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$68,043)	(\$68,043)	(\$68,043)
b Change in Dem weighing (FCC 01-162, 36.125(j))	<u>(\$18,081)</u>	<u>(\$18,081)</u>	<u>(\$18,081)</u>
c Sub-total (sum of lines 2a and 2b)	(\$86,124)	(\$86,124)	(\$86,124)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$399,763	\$399,763	\$399,763
b Projected Year 2003 USF (Per NECA.)	<u>(\$158,340)</u>	<u>(\$68,455)</u>	<u>(\$68,455)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$241,423	\$331,308	\$331,308
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$3,621,764	\$3,711,649	\$3,711,649
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$3,621,764	\$3,711,649	\$3,711,649
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$3,621,764	\$3,711,649	\$3,711,649
11 2003 Revenue Requirement after Means Test	\$3,541,974	\$16,199	\$16,199
12 Waterfall effect	100%	100%	100%
13 2003 Revenue Requirement after Waterfall	\$3,541,974	\$16,199	\$16,199
14 2003 CHCF-A Support	\$3,541,972	\$16,199	\$16,199
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$1,349.92	\$1,349.92

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	Foresthill <u>AL 226</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$618,284	\$886,442	\$886,442
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$401,291	\$401,291	\$401,291
b Projected Year 2003 USF (Per NECA.)	<u>(\$568,549)</u>	<u>(\$547,996)</u>	<u>(\$547,996)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$167,258)	(\$146,705)	(\$146,705)
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$451,026	\$739,737	\$739,737
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$451,026	\$739,737	\$739,737
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$451,026	\$739,737	\$739,737
11 2003 Revenue Requirement after Means Test	\$88,672	276,463	\$276,463
12 Waterfall effect	80%	80%	80%
13 2003 Revenue Requirement after Waterfall	\$70,938	\$221,170	\$221,170
14 2003 CHCF-A Support	\$70,938	221,170	221,170
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$18,430.85	\$18,430.85

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	Happy Valley <u>AL 249</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$1,731,665	\$1,731,665	\$1,731,665
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$35,508)	(\$35,508)	(\$35,508)
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	(\$35,508)	(\$35,508)	(\$35,508)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$1,104,718	\$1,104,718	\$1,104,718
b Projected Year 2003 USF (Per NECA.)	(\$921,353)	(\$914,687)	(\$914,687)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$183,365	\$190,031	\$190,031
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$1,879,522	\$1,886,188	\$1,886,188
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$1,879,522	\$1,886,188	\$1,886,188
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$1,879,522	\$1,886,188	\$1,886,188
11 2003 Revenue Requirement after Means Test	\$71,451	78,118	78,118
12 Waterfall effect	50%	50%	50%
13 2003 Revenue Requirement after Waterfall	\$939,761	\$39,059	\$39,059
14 2003 CHCF-A Support	\$71,451	\$39,059	\$39,059
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$3,254.90	\$3,254.90

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	Hornitos <u>AL 221</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$350,482	\$350,482	\$350,482
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$8,555)	(\$8,555)	(\$8,555)
b Change in Dem weighing (FCC 01-162, 36.125(j))	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
c Sub-total (sum of lines 2a and 2b)	(\$8,555)	(\$8,555)	(\$8,555)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$228,537	\$228,537	\$228,537
b Projected Year 2003 USF (Per NECA.)	<u>(\$203,392)</u>	<u>(\$202,109)</u>	<u>(\$202,109)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$25,145	\$26,428	\$26,428
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$367,072	\$368,355	\$368,355
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$367,072	\$368,355	\$368,355
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$367,072	\$368,355	\$368,355
11 2003 Revenue Requirement after Means Test	\$0	\$0	\$0
12 Waterfall effect	50%	50%	50%
13 2003 Revenue Requirement after Waterfall	\$183,536	\$0	\$0
14 2003 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$0.00	\$0.00

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	Kerman <u>AL 308</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$1,948,857	\$1,948,857	\$1,948,857
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$34,599)	(\$34,599)	(\$34,599)
b Change in Dem weighing (FCC 01-162, 36.125(j))	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
c Sub-total (sum of lines 2a and 2b)	(\$34,599)	(\$34,599)	(\$34,599)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$467,973	\$467,973	\$467,973
b Projected Year 2003 USF (Per NECA.)	<u>(\$492,709)</u>	<u>(\$433,173)</u>	<u>(\$433,173)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$24,736)	\$34,800	\$34,800
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$1,889,522	\$1,949,058	\$1,949,058
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$1,889,522	\$1,949,058	\$1,949,058
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$1,889,522	\$1,949,058	\$1,949,058
11 2003 Revenue Requirement after Means Test	\$1,889,522	1,949,058	\$1,949,058
12 Waterfall effect	100%	100%	100%
13 2003 Revenue Requirement after Waterfall	\$1,889,522	\$1,949,058	\$1,949,058
14 2003 CHCF-A Support	\$1,889,522	\$1,949,058	\$1,949,058
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$162,421.52	\$162,421.52

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	Pinnacles <u>AL 185</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$260,798	\$260,798	\$260,798
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$1,384)	(\$1,384)	(\$1,384)
b Change in Dem weighing (FCC 01-162, 36.125(j))	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
c Sub-total (sum of lines 2a and 2b)	(\$1,384)	(\$1,384)	(\$1,384)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$228,423	\$228,423	\$228,423
b Projected Year 2003 USF (Per NECA.)	<u>(\$242,232)</u>	<u>(\$239,779)</u>	<u>(\$239,779)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$13,809)	(\$11,356)	(\$11,356)
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$245,605	\$248,058	\$248,058
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$245,605	\$248,058	\$248,058
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$245,605	\$248,058	\$248,058
11 2003 Revenue Requirement after Means Test	\$245,605	248,058	248,058
12 Waterfall effect	100%	100%	100%
13 2003 Revenue Requirement after Waterfall	\$245,605	\$248,058	\$248,058
14 2003 CHCF-A Support	\$245,605	\$248,058	\$248,058
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$20,671.49	\$20,671.49

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	Ponderosa <u>AL 314</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$6,538,813	\$6,538,813	\$6,538,813
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$80,901)	(\$80,901)	(\$80,901)
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	(\$80,901)	(\$80,901)	(\$80,901)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$4,647,421	\$4,647,421	\$4,647,421
b Projected Year 2003 USF (Per NECA.)	<u>(\$4,788,966)</u>	<u>(\$4,710,825)</u>	<u>(\$4,710,825)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$141,545)	(\$63,404)	(\$63,404)
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$6,316,367	\$6,394,508	\$6,394,508
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$6,316,367	\$6,394,508	\$6,394,508
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$6,316,367	\$6,394,508	\$6,394,508
11 2003 Revenue Requirement after Means Test	\$5,048,305	5,126,448	5,126,448
12 Waterfall effect	80%	80%	80%
13 2003 Revenue Requirement after Waterfall	4,038,644	4,101,158	4,101,158
14 2003 CHCF-A Support	4,038,644	\$4,101,158	\$4,101,158
15 Monthly Payment for Periods Jan - Dec 2003		\$341,763.18	\$341,763.18

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	Sierra <u>AL 296</u>	Adopted <u>Res T- 16711</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$13,955,628	\$13,955,628	\$13,955,628
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	(\$205,484)	(\$205,484)
c Sub-total (sum of lines 2a and 2b)	\$0	(\$205,484)	(\$205,484)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$2,951,674	\$2,951,674	\$2,951,674
b Projected Year 2003 USF (Per NECA.)	(\$5,995,822)	(\$5,803,376)	(\$5,803,376)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$3,044,148)	(\$2,851,702)	(\$2,851,702)
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$10,911,480	\$10,898,442	\$10,898,442
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$10,911,480	\$10,898,442	\$10,898,442
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$10,911,480	\$10,898,442	\$10,898,442
11 2003 Revenue Requirement after Means Test	\$10,681,480	9,826,908	9,826,908
12 Waterfall effect	100%	100%	100%
13 2003 Revenue Requirement after Waterfall	\$10,681,480	\$9,826,908	\$9,826,908
14 2003 CHCF-A Support	\$10,681,480	\$9,826,908	\$9,826,908
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$818,909.00	\$818,909.00

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	Siskiyou <u>AL 305</u>	Adopted <u>Res T - 16707</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$2,574,963	\$2,574,963	\$2,574,963
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$1,866,917	\$1,866,917	\$1,866,917
b Projected Year 2003 USF (Per NECA.)	<u>(\$2,098,820)</u>	<u>(\$2,051,888)</u>	<u>(\$2,051,888)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$231,903)	(\$184,971)	(\$184,971)
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$2,343,060	\$2,389,992	\$2,389,992
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$2,343,060	\$2,389,992	\$2,389,992
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$2,343,060	\$2,389,992	\$2,389,992
11 2003 Revenue Requirement after Means Test	\$2,343,060	2,153,169	\$2,153,169
12 Waterfall effect	100%	100%	100%
13 2003 Revenue Requirement after Waterfall	\$2,343,060	2,153,169	\$2,153,169
14 2003 CHCF-A Support	\$2,343,060	\$2,153,169	\$2,153,169
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$179,430.75	\$179,430.75

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Resolution T- 16712

	Verizon-WC <u>AL 554</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$739,453	\$739,453	\$739,453
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$71,882	\$71,882	\$71,882
b Projected Year 2003 USF (Per NECA.)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$71,882	\$71,882	\$71,882
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$811,335	\$811,335	\$811,335
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$811,335	\$811,335	\$811,335
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$811,335	\$811,335	\$811,335
11 2003 Revenue Requirement after Means Test	\$0	\$0	\$0
12 Waterfall effect	0%	0%	0%
13 2003 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2003 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$0.00	\$0.00

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	Volcano <u>AL 289</u>	Adopted in <u>Res T-16697</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$6,282,357	\$6,282,357	\$6,282,357
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$25,082)	(\$25,082)	(\$25,082)
b Change in Dem weighing (FCC 01-162, 36.125(j))	(\$141,460)	(\$141,460)	(\$141,460)
c Sub-total (sum of lines 2a and 2b)	(\$166,542)	(\$166,542)	(\$166,542)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$904,036	\$904,036	\$904,036
b Projected Year 2003 USF (Per NECA.)	<u>(\$1,528,315)</u>	<u>(\$1,423,062)</u>	<u>(\$1,423,062)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$624,279)	(\$519,026)	(\$519,026)
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$5,491,536	\$5,596,789	\$5,596,789
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$5,491,536	\$5,596,789	\$5,596,789
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$5,491,536	5,596,789	5,596,789
11 2003 Revenue Requirement after Means Test	4,301,362	3,775,457	\$3,775,457
12 Waterfall effect	100%	100%	100%
13 2003 Revenue Requirement after Waterfall	\$4,301,362	3,775,457	\$3,775,457
14 2003 CHCF-A Support	\$4,301,362	\$3,775,457	\$3,775,457
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$314,621.42	\$314,621.42

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	Winterhaven <u>AL 142</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$30,090	\$30,090	\$30,090
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$325,874	\$325,874	\$325,874
b Projected Year 2003 USF (Per NECA.)	<u>(\$311,623)</u>	<u>(\$308,339)</u>	<u>(\$308,339)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$14,251	\$17,535	\$17,535
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$44,341	\$47,625	\$47,625
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$44,341	\$47,625	\$47,625
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$44,341	\$47,625	\$47,625
11 2003 Revenue Requirement after Means Test			
12 Waterfall effect	0%	0%	0%
13 2003 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2003 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)		\$0.00	\$0.00

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	<u>Carriers Proposed</u>	<u>Staff Proposed</u>	<u>Commission Adopted</u>
1 2002 CHCF-A Requirement (Resolution T-16619, Appendix A line 10)	\$42,346,896	\$42,615,054	\$42,615,054
2 Reverse 2001 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	(\$288,025)	(\$288,025)	(\$288,025)
b Change in Dem weighing (FCC 01-162, 36.125(j))	(\$159,541)	(\$365,025)	(\$365,025)
c Sub-total (sum of lines 2a and 2b)	(\$447,566)	(\$653,050)	(\$653,050)
3 Adjustments to 2002 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2003 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2002 USF (Resolution T-16619, Appendix A line 5b)	\$19,406,090	\$19,406,090	\$19,406,090
b Projected Year 2003 USF (Per NECA.)	(\$22,931,600)	(\$22,219,063)	(\$22,219,063)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$3,525,510)	(\$2,812,973)	(\$2,812,973)
6 2003 CHCF-A Revenue Requirement (sum of lines 1, 2, 3c and 4a and 5c)	\$38,373,820	\$39,149,031	\$39,149,031
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2003 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2004)	\$38,373,820	\$39,149,031	\$39,149,031
9 Temporary Surcredit			
10 2003 Revenue Requirement eligible for CHCF-A Support	\$38,373,820	\$39,149,031	\$39,149,031
11 2003 Revenue Requirement after Means Test	\$31,443,576	\$26,739,365	\$26,739,365
12 Waterfall effect			
13 2003 Revenue Requirement after Waterfall	\$31,468,027	\$25,619,724	\$25,619,724
14 2003 CHCF-A Support	\$30,416,179	\$25,619,724	\$25,619,724
15 Monthly Payment for Periods Jan - Dec 2003 (Line 14/12)	\$2,534,681.58	\$2,134,976.99	\$2,134,976.99

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